

MINUTES OF THE ANNUAL MEETING OF
PROVO RIVER DISTRIBUTION SYSTEM WATER USERS
JANUARY 17, 2006

Pursuant to the Articles of Association, as amended by the Provo River Distribution System, and due notice having been given to all members, the annual meeting of the Board of Directors of the Provo River Distribution System convened at 10:00 a.m. at the Central Utah Water Conservancy District offices, located at 355 West University Parkway, Orem, Utah.

Board Members in Attendance

Alan Brown	Daryl Devey	Ed Ure
Jeff Bryant	Farrell Knight	Ken VanWagoner
Keith Denos	Bart Simons	

Roy Peterman attended the meeting in behalf of Boyd Rollins who was unable to attend.

Jack Jones was excused from this meeting.

Others in Attendance

Tom Bruton	Craig Miller	Debbie Vanoy
Fred Gummow	Stan Roberts	

Call to Order

The meeting was called to order by Ed Ure, Chairman of the Board.

Adoption of Minutes

Mr. VanWagoner made a motion that the minutes be accepted. The motion was seconded by Mr. Brown. The motion passed unanimously.

Election of Officers

Mr. Devey made a motion the Board maintain the current officers. The motion was seconded by Mr. Simons. The motion passed unanimously.

[Mr. Keith Denos and Craig Miller arrived at the meeting.]

Financial Report of 2005

Mr. Roberts stated that a partial report is only available at this time. A discussion ensued regarding the date the river system meeting is held, and if it would be possible to move the meeting to a later date to ensure the financial report would be completed by the State. If this were to be done, the Board would have to make a change in the by-laws because they currently state this Board is to meet the second Tuesday of the year and then a meeting is to be held two days later with the State. A discussion was also held concerning how this meeting is in conflict with the Utah Lake meeting and it seems that the Board meetings are now starting to conflict with each other.

After a question by Mr. Peterman, a discussion ensued on liability insurance. It was pointed out by Mr. Denos that this Board does not have any assets, and as River Commissioner, he is acting as an agent of the State so the State would carry the liability insurance. Mr. Devey suggested that this discussion be tabled until the meeting on Thursday with the State since they have probably dealt with it on other river systems.

Mr. Devey made a motion to accept the financial report as it was read. Mr. Knight seconded the motion. The motion passed unanimously.

Commissioner's Report

Mr. Roberts distributed a handout "Commissioner's Report 2005" which has been made a part of these minutes by this reference.

Mr. Roberts distributed a copy of a portion of the annual report showing the individual numbers for the various canals. The report will start with the upper reaches of the river, at Trial Lake and cover everything to Utah Lake. In response to a question regarding the previous reports, Mr. Roberts stated that he is in the process of putting them into Excel to get them published. He stated his goal is to get the 2005 report out within the next 15 to 20 days, and the 2002, 2003, and 2004 reports out prior to the irrigation season.

Mr. Knight made a motion to accept the Commissioner's Report. The motion was seconded by Mr. Devey. The motion passed unanimously.

Additional Business

A discussion was held regarding a motion that was made last year to provide an additional \$1,500 to Mr. Roberts when the outstanding reports were completed. Some of the directors felt this money had been paid as part of the salary shown in the budget, others were not sure. Mr. Denos explained that it seemed to him, there was no provision for the State to deal with a bonus. After some discussion it was agreed the State did not have a way to deal with a bonus in their system. Mr. Devey suggested the Board move on to other business before working on the budget for 2006.

Mr. Roberts suggested a secretary should be appointed for this Board. There was a discussion if rotating the secretary responsibility between the agencies represented on the Board was working. Mr. Devey told the Board that Central Utah Water Conservancy District would be willing to provide the secretary if that is what the Board wanted. He also stated the District should be compensated for mailings, time for meetings and preparation of minutes.

Mr. VanWagoner made a motion to have Mr. Devey appoint a member of his staff to serve as secretary and to compensate Central Utah Water Conservancy District at the calculated rate of 20 hours, plus the cost of supplies. The motion was seconded by Mr. Peterman. The motion passed unanimously.

Mr. Roberts mentioned that the State wanted him to review four areas Lake Creek, Center Creek, Daniels, and Wallsburg with the Board. The State arbitrarily set a budget and started collecting assessments for those four areas. He stated that some of the entities would work with him and others would not. The State nevertheless continued to collect the assessments. However it appears that after last summer, the Wallsburg area may be dropped since Mr. Roberts cannot administer

the water in that area without the State going in and doing the whole valley. The State does not want to administer the whole valley at this time.

Lake Creek has not been a problem. They have paid their assessments and Mr. Roberts has measured some of their water for them. There is one outstanding bill on Lake Creek for \$73.52, which Mr. Roberts said is like a penalty that was not paid.

Daniels has paid their assessment and there seems to be no problems there.

The problem comes with Center Creek as they have not paid their assessment the last two years. Mr. Brown stated that he does not know the reason that Center Creek is not paying their bill and asked what "teeth" the State has to get Center Creek to either state what the problem is or to pay the bill.

Mr. Roberts stated that he does not know what steps the State would take with respect to Center Creek. He also mentioned that as ground within their system becomes developed, Wasatch County has demanded they have some way to know how much water has to go with the ground. Center Creek does not have complete records. Mr. Roberts provided them with records indicating how much water had been delivered to them and he had hoped that by providing this information, they would pay their bill. However, as of today's date they have not done so.

Mr. VanWagoner stated it is crucial to determine what the State is going to do about Center Creek not paying their bills since the rest of the companies may quit paying if Center Creek is allowed to get away with not paying. It was suggested this discussion be tabled until the next meeting when the State would be available to discuss the possible options.

Another discussion then ensued regarding the meeting time for this Board to meet with the State to allow time for the financial report to be completed as well as eliminate some of the conflicts with other system meeting dates. Mr. Roberts stated this is one of the first meetings held by the State but they have indicated it may be possibly to meet in March or even later in February. Mr. Roberts reminded the Board that the by-laws state that the group is to meet the second Tuesday of the year, that has not been changed but it has been ignored for the last two or three years. He suggested the Board talk to the State at the Thursday meeting and choose a time that is agreeable and then change the Board's by-laws.

Mr. VanWagoner made a motion that his item be tabled until the Thursday when it could be brought before the State. The motion was seconded by Mr. Brown. The motion passed unanimously.

Discussion of 2006 Budget

Mr. Denos stated that he is really concerned about setting the budget today because of the confusion of what has happened the last three years with the Commissioner's salary. He stated that in 2003 the State Engineer's office used the wrong base pay and underpaid Mr. Roberts by \$1,491. In 2004, the State was going to make it up to him and they ended up paying him the \$1,491 twice. Mr. Ure said that in the Heber Valley money was collected different and Mr. Roberts got some additional money but he was not sure where that fit into his salary. Mr. Roberts told the Board that \$2,500 was moved from the contract service account to his salary. Mr. Devey explained that this was the June sucker payment. Mr. Denos stated if that was the case, it is possible that Mr. Roberts was not overpaid and he had not yet received his bonus either.

Mr. Roberts stated that his salary for 2003 was \$51,176 and asked what the increase was for 2004. Mr. Denos stated the budget amount said \$52,967. In 2005, Mr. Roberts was given a two and one-half percent increase to \$54,292, plus the \$2,500 from the June sucker account. This is the amount that was paid in 2005. Mr. Denos also stated that this means the \$1,500 has not been paid. Mr. Roberts asked the Board if they agreed that the base salary for this year was \$56,792.

In response to a question by Mr. Bryant, Mr. Denos stated that the \$2,500 would be an ongoing obligation every year. Mr. Simons asked if the \$2,500 was part of the \$56,792 and Mr. Roberts told him yes, but explained that from now on this is moot because the \$2,500 is an assessment collection from Central Utah Water. It was agreed that the increase to Commissioner's salary would be based on the \$56,792 he received last year.

At this point, Mr. Roberts, Mr. Maxfield, and Mr. Gummow left the meeting so the Board could discuss performance and pay increases to be given in 2006.

During this "closed" session, a problem discussed was getting the reports out in a timely manner. Several directors mentioned that they had received calls from the State prior to coming to this meeting, as the State has some real concerns about having to spend a lot more time and energy on the Provo River system because the reports are not being completed on time. It was also mentioned that Mr. Roberts has been going through a transitional year changing his report from one software program to another program, which can be a long process in a very complicated system.

Mr. Roberts was complimented by the Board for the outstanding work he did during the 2005 runoff season.

A suggestion was made that the Board require Mr. Roberts to get a cell phone. The cell phone number could be limited in its distribution, if that would make Mr. Roberts more comfortable.

Mr. Knight made a motion to give Mr. Roberts a two percent raise. Along with this, he needs to determine how much time it will take to get the reports in, and schedule another meeting to follow-up on the status of the reports. The motion was seconded by Mr. Denos. Mr. Denos also suggested the follow-up meeting be held around the end of February or the week after the Utah Water User Conference.

A discussion ensued regarding what the two percent raise is based on. Mr. Devey explained it was on the \$56,792 which does not include the \$1,500 bonus for the report. It was also mentioned that the \$2,500 are included because that is an ongoing obligation. This will bring Mr. Roberts salary to \$57,928.

The motion passed unanimously.

Mr. Roberts returned to the meeting.

Mr. Ure asked Mr. Roberts if he was satisfied with the work of his deputies and the pay they are receiving and asked if he would like to give them an increase. Mr. Roberts stated that as far as he is concerned their work has been very good. He explained that prior to Jordanelle going in, Mr. Giles used to handle all of the decisions in the Heber Valley. Once Jordanelle went in, it was impossible for Mr. Giles to make the decisions, so Mr. Roberts took over all that responsibility. He makes all of the decisions from Trial Lake to Utah Lake. Mr. Maxfield's responsibility is to go out and read meters and gather information for Mr. Roberts. Occasionally he will go and check

the Duchesne Tunnel but most of the time he is gathering information. Mr. Roberts proposed that Mr. Maxfield's salary be kept the same. He also suggested a small increase for Mr. Gummow.

Mr. Bryant made a motion to give Mr. Gummow a two percent raise. The motion was seconded by Mr. Brown. The motion passed unanimously.

Mr. Gummow and Mr. Maxfield were invited back into the meeting.

The remaining budget items were then discussed. New items to be included in the budget are an \$500 in the Board Expenses account to pay for the secretary and an addition \$650 be placed into the Telephone Expense account to cover the expense of a cell phone for the Commissioner.

Mr. Denos mentioned a full Board meeting will be held on March 16, 2006, at Central Utah Water Conservancy District's office to discuss the status of the annual reports.

Mr. Denos made a motion to table the budget until the Thursday meeting. The motion was seconded by Mr. VanWagoner. The motion passed unanimously.

A motion to adjourn the meeting was made by Mr. Brown. Mr. VanWagoner seconded the motion. The motion passed unanimously.

The meeting adjourned.

Commissioner's Report 2005

This was an abundant water year. The reservoirs filled and there was extra allotment from Deer Creek Reservoir from June 1 through July 11. Extra allotment was also allowed from August 21 through October 26 to allow the reservoir to come down so that repairs to a filter on the face of the dam could be completed.

The June sucker received 12, 650 acre feet of water from May through July and 15,000 acre feet of Weber water was stored in Utah Lake for later exchange to Deer Creek Reservoir.

Priority of water rights to high flows on the Provo River was reversed this year with water first going to Jordanelle and then to Deer Creek. This was made possible because of the plentiful water supply and the cooperation of involved right-holders. It made the filling of Deer Creek and Jordanelle reservoirs much easier.

Washington lake, Trial Lake and Lost Lake filled and 5,008 acre feet was stored in Jordanelle for Upper Lake right holders.

Water rights in Heber Valley and above were delivered as follows:

- 17th class from May until July 11
- 14th class until July 18
- 5th class until July 23
- 100 percent of first class until August 12
- 75 percent of first class into September

Water rights on the Provo River below Deer Creek remained at 100 percent of first class for the entire season. Exceptionally high flows into the river in Provo canyon were observed all summer. Apparently due to the extreme amount of snow that fell on Timpanogos and Cascade mountains, Slide Canyon ran continuously into the winter and Upper Falls and Bridal Veil Falls flowed the most in 33 years of observation.

Flows into the Murdock Canal started the 18th of May but had to be reduced on the 28th of June due to a leak in the canal near the point of the mountain.

After 40 years of service, poor health forced Sherman Giles to retire as deputy river commissioner. He had also served as a board member for nearly 60 years. His service and knowledge of the river will be missed..